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United States Senate

COMMITTEE ON APPROPRIATIONS WASHINGTON, DC 20510–6025 http://appropriations.senate.gov

July 6, 2006

The Honorable David M. Laney, Esq. Chairman Board of Directors National Railroad Passenger Corporation 60 Massachusetts Ave., NE Washington, DC 20002

Dear Chairman Laney:

We write to voice our dismay and outrage over the plan of the Amtrak Board of Directors to consider the outsourcing of Amtrak jobs overseas. In your capacity as Chairman of the Amtrak Board, we implore you to immediately reverse this grossly misguided policy.

The National Railroad Passenger Corporation (Amtrak) is just that – the <u>national</u> railroad that connects all of our communities. Over the last several years, we have been proud to lead the fight against those that would decimate funding for Amtrak, put the railroad into bankruptcy, and leave over 25 million passengers stranded at the platform. But we recognize, as you should, that Amtrak service relies on subsidies that are derived from the taxes paid by all Americans. As such, you and all the other Members that President Bush has appointed to the Amtrak Board have an obligation to expend these funds in a manner that reflects the values of American taxpayers. We believe that the vast majority of taxpayers would agree with us that it is wrongheaded and inappropriate to use their tax dollars to ship jobs overseas – especially jobs necessary to operate our national passenger railroad.

Just last week, Amtrak's senior management informed our Committee of its plans to solicit bids from outside vendors to take over certain reservation functions – potentially displacing as many as half of Amtrak's reservation agents at its call centers in Philadelphia, PA and Riverside, CA. They further told us that the Amtrak Board has decided to welcome bids from overseas vendors. Amtrak's representatives were quick to point out that the labor organizations representing their reservation agents would be given the opportunity to submit competing bids in order to keep their jobs. But the comparative cost figures displayed on Amtrak's own "Fact Sheet" make clear that the current employees don't stand a chance. According to this document, the costs associated with call centers operating overseas are 70 percent below Amtrak's current costs. The fact that foreign vendors can pay their employees very little while providing few if any benefits does not justify exporting even more American jobs.

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Recently, the Bush Administration has pursued a policy of outsourcing the collection of delinquent Federal taxes to non-Federal employees – a policy we do not support. But even President Bush's IRS Commissioner had the good sense to ensure that these outsourced tax collection activities will be performed by contractors within the United States.

We don't agree that the solution to Amtrak's financial challenges lies in the outsourcing of jobs. Just this past week, we received word from the DOT Inspector General that

"Amtrak's most recent financial information shows a significant reduction in operating losses since...early March. Passenger revenues are up, particularly on corridor trains; salaries, wages and benefits are down due to lower headcounts; offset by higher fuel and power costs. In addition, some of Amtrak's operational reforms are being implemented faster and achieving savings greater than originally anticipated."

We welcome efforts to reduce Amtrak's operating losses, but we believe it is wrong to use taxpayer dollars to ship Amtrak jobs overseas and put American workers on the unemployment line. This policy insults American taxpayers who expect their elected and appointed leaders to strengthen rather than erode the economic security of hard-working American families.

In two weeks, our Committee is scheduled to meet to report a Transportation-Treasury Appropriations Bill to the full Senate. If you have not renounced and reversed your policy by that time, we intend to pursue an amendment to that bill to prohibit you from outsourcing Amtrak jobs overseas.

Sincerely,

Ranking Member

Ranking Member

Subcommittee on Transportation, Treasury, the Judiciary, Housing and Urban Development

The Honorable Norman Mineta cc:

> Mr. Floyd Hall Mr. Enrique Sosa Mr. David Hughes Chairman Thad Cochran

Chairman Christopher S. Bond